

## General Assembly

Substitute Bill No. 920

January Session, 2009

\*\_\_\_\_\_SB009201NS\_\_\_051309\_\_\_\_\_\*

## AN ACT CLARIFYING PENSION OBLIGATIONS OF CONTRACTORS AND SUBCONTRACTORS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. Subsection (f) of section 31-53 of the general statutes is
- 2 repealed and the following is substituted in lieu thereof (Effective
- 3 October 1, 2009):
- (f) Each employer subject to the provisions of this section or section 4 5 31-54 shall (1) keep, maintain and preserve such records relating to the 6 wages and hours worked by each person performing the work of any 7 mechanic, laborer and worker and a schedule of the occupation or 8 work classification at which each person performing the work of any mechanic, laborer or worker on the project is employed during each 10 work day and week in such manner and form as the Labor 11 Commissioner establishes to assure the proper payments due to such 12 persons or employee welfare funds under this section or section 31-54, 13 regardless of any contractual relationship alleged to exist between the 14 contractor and such person, and (2) submit monthly to the contracting 15 agency a certified payroll that shall consist of a complete copy of such 16 records accompanied by a statement signed by the employer that 17 indicates (A) such records are correct; (B) the rate of wages paid to 18 each person performing the work of any mechanic, laborer or worker 19 and the amount of payment or contributions paid or payable on behalf

of each such person to any employee welfare fund, as defined in subsection (h) of this section, are not less than the prevailing rate of wages and the amount of payment or contributions paid or payable on behalf of each such person to any employee welfare fund, as determined by the Labor Commissioner pursuant to subsection (d) of this section, and not less than those required by the contract to be paid; (C) the employer has complied with the provisions of this section and section 31-54; (D) each such person is covered by a workers' compensation insurance policy for the duration of such person's employment, which shall be demonstrated by submitting to the contracting agency the name of the workers' compensation insurance carrier covering each such person, the effective and expiration dates of each policy and each policy number; (E) the employer does not receive kickbacks, as defined in 41 USC 52, from any employee or employee welfare fund; and (F) pursuant to the provisions of section 53a-157a, the employer is aware that filing a certified payroll which the employer knows to be false is a class D felony for which the employer may be fined up to five thousand dollars, imprisoned for up to five years, or both. This subsection shall not be construed to prohibit a general contractor from relying on the certification of a lower tier subcontractor, provided the general contractor shall not be exempted from the provisions of section 53a-157a if the general contractor knowingly relies upon a subcontractor's false certification. Notwithstanding the provisions of section 1-210, the certified payroll shall be considered a public record and every person shall have the right to inspect and copy such records in accordance with the provisions of section 1-212. The provisions of subsections (a) and (b) of section 31-59 and sections 31-66 and 31-69 that are not inconsistent with the provisions of this section or section 31-54 apply to this section. Failing to file a certified payroll pursuant to subdivision (2) of this subsection is a class D felony for which the employer may be fined up to five thousand dollars, imprisoned for up to five years, or both. A general contractor or subcontractor may, in good faith, rely on the certification of a lower tier subcontractor as an affirmative defense to an action brought by the Labor Commissioner to collect unpaid

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55 <u>benefits on behalf of an employee of such lower tier subcontractor if</u>

- the general contractor requires the subcontractor to provide (i) a
- 57 payment bond on the public works project, or (ii) sufficient verification
- 58 from the pension and benefit fund administrator of the relevant fund
- 59 that the amount of payment or contributions required to be paid on
- 60 behalf of each such person to any employee welfare fund, as defined in
- 61 <u>subsection (h) of this section, has been paid.</u>

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2009	31-53(f)

LAB Joint Favorable Subst.

**PD** Joint Favorable

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INS Joint Favorable